

5 Lessons inspired by Lee Kuan Yew on Corporate Governance

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As directors with strict fiduciary responsibilities, it is tempting to view corporate governance as a technical, compliance-driven topic.

Mr. Lee Kuan Yew and the other founding fathers of Singapore dedicated their lives to the governance of Singapore to one thing: creating value for the country.

What can we learn from them in our governance of companies?

Lessons #1: Confront the hard truths

Mr. Lee never swept uncomfortable facts under the carpet. Instead he was forthright, and at times confrontational, in fixing them. What are the uncomfortable realities that your organization is overlooking?

Lesson#2: Ensure absolute clarity of direction

Mr. Lee's clarity and vision gave him and those following him immense confidence and focus. What are the key factors in the concept of your business that will lead you to exceptional future growth at the expense of competitors?

Lesson#3: Align all stakeholder interests

Mr. Lee was famous for continually asking: "What would benefit Singapore and Singaporeans?" And by Singaporeans, he meant all, regardless of race, language or religion. How are you managing decision-making for the benefit of all stakeholders, not just the shareholders?

Lesson#4: Demand accountability

Mr. Lee viewed Singapore as a system, and unlike many Western Governments, took steps to ensure the system is not riddled with self-interest but instead demanded collective and cohesively accountability such as through tripartism. Is your governance system demanding and fairly rewarding performance?

Lesson#5: Insist on personal integrity

Mr. Lee knew that even the merest sniff of corruption would immediately undermine confidence of investors, partners and the populous. Do you have a zero tolerance approach to integrity, even for top performers?

What does this mean to directors today? Governance is a means to an end, and therefore we must be practical, pragmatic and visionary when thinking about what governance means to us and the companies we steward.

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